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AGO ltr 29 Apr 1980

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## DEPARTMENT OF THE ARMY OFFICE OF THE ABJUTANT GENERAL

WASHINGTON, D.C. 20310

IN REPLY REFER TO

AGAM-P (M) (29 May 68) FOR OT RD 681219

3 June 1968

SUBJECT: Operational Report - Lessons Learned, Headquarters, 14th Inventory Control Center, Period Ending 31 January 1968 (U)

SEE DISTRIBUTION

1. Subject report is forwarded for review and evaluation in accordance with paragraph 5b, AR 525-15. Evaluations and corrective actions should be reported to ACSFOR OT RD, Operational Reports Branch, within 90 days of receipt of covering letter.

2. Information contained in this report is provided to insure appropriate benefits in the future from lessons learned during current operations and may be adapted for use in developing training material.

BY ORDER OF THE SECRETARY OF THE ARMY:

l Incl

Jenneth G. Neickham

KENNETH G. WICKHAM Major General, USA The Adjutant General

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# DEPARTMENT OF THE ARMY HEADQUARTERS, 14TH INVENTORY CONTROL CENTER APO US FORCES 96384

AVCA ICC 30

15 February 1968

SUBJECT: Operational Report for Quarterly Period Ending 31 January 1968

(RCS CSFOR-65)

TO:

Commanding General lst Logistical Command

ATTN: AVCA GO-O

APO 96384

#### OPERATIONAL REPORT - LESSONS LEARNED

#### SECTION I - SIGNIFICANT ORGANIZATION OR UNIT ACTIVITIES

- 1. This reporting period was one of notable progress for the 14th Inventory Control Center (ICC). From the Center relocation to Long Binh and the computer conversion during the August November period, the center progressed into a period marked by the refinements and expansion of the new computer supply management system, a further expansion of the 14th ICC mission, standardization in managerial techniques and procedures, and a continuing improvement in the overall effectiveness of the 14th ICC's centralized supply management system.
- 2. As was discussed in previous reports, the initial system used on the 7010/1460 computer was basically a reprogrammed version of the Univac 1005 system. During this reporting period, this system has been greatly expanded in order to fulfill the increasing requirements of the center and utilize the greater capabilities of the IBM 7010/1460 computer.
- a. Subsystems which were implemented during the period are as follows:
- (1) File Update. A series of programs to maintain the working files in an up-to-date status were implemented during November 1967.
- (2) Daily high priority requisition processing. This operation had been continued on the Univac 1005 until 25 January 1968 at which time it was converted to the 7010/1460 thereby taking advantage of the greatly increased processing speed of the computer and the capability to automatically refer requisition to in-country depots for supply action.
- (3) Stock status inquiry. This was implemented during December 1967 and permits supply management to inquire into the availability balance file, due-in file, and the due-out file to receive

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complete and current stock status information on selected items. Additionally all Red Bakl requisitions are processed through this system, providing supply managers with the latest stock status data available on these ultra high priority requests.

- (4) Demand undate, Requisitioning Objective (RO) Computation This is a series of programs designed to analyze depot demands, calculate ROs, and maintain a demand history file. Utilizing this new system, an RO analysis is made monthly.
- b. Computer utilization hours continue to increase monthly. The 7010/1460 system is operational on a 24 hour day, seven days a week basis. The IBM 1403, model II printer continues to present a bottle-neck preventing efficient input/output operation, however the model III high speed printer as discussed in the last report has been received and will become operational during February 1968
- c. The input and output volume of the data processing operations are of noteworthy interest. The average volume of incoming card traffic via transceiver ner month for the previous quarter was 450,000 cards. Average monthly outgoing transceived volume was 555,000 cards. In addition, approximately 100,000 cards were received and sent monthly via mail and courier. Average monthly cycle input was 370,000 cards and avantage output was 95,000.
- 3. The number of Department of the Army civilians on hand in the center continued to increase during the period. At the end of the period, 120 were present for duty, Of this number, 23 were TDY and 57 permanent hire.
- a Based upon a survey conducted during the month of January 1968, it developed that approximately 69% of the civilians presently assigned, plan to terminate their employment during the period June November 1968. The replacement recruiting problem for these losses presents a critical problem for immediate resolve, inasmuch as the civilian recruiting and processing lead time during 1967 averaged five and a half months.
- Binh area was recognized by Mr. Coleman Cook, Special Assistant to the Assistant Secretary of the Army for Installations and Logistics in a special report on logistical problems in Vietnam. He felt that this was a factor that would have a critical and continuing impact on the logistical activities which employ civilians at Long Binh. The inactivation of composite TOE logistical units, and replacement of such units by TDA organizations composed of a military and Department of the Army civilian mix, causes problem posed by the requirement to recruit civilians from CONUS. The problem can be minimized only to the degree that civilian personnel officers at all Department of the Army levels understand that the recruiting of civilian replacements for anticipated losses in Vietnam

must necessarily commence five to six months prior to the rotation date of the departing civilians.

- On 29 October 1967, a letter from the 14th ICC was forwarded This letter stated that through the CG 1st Log Comd to the CG USARV. the quarters furnished most DAC's at Long Binh were inadequate and the letter described examples of purported inadequacies. It further requested, that as an excention, a quarters allowance be made for DAC's residing at Long Binh. On 3 November 1967 1st Log Comd stated that as a general nolicy DAC's would be authorized to live in Saigon in Headquarters Area Command (HAC) BOQ's until MACV Standard 5 BOQ's were available in Long Binh When these facilities are available, it is contemplated that DAC's will move to Long Binh. On 31 October 1967, another letter from the 14th ICC through the CG 1st Log Comd to the CG USARV, requested that DAC's at Long Binh be authorized to live on the economy or government quarters and those living on the economy be authorized to receive Living Quarters Allowance (LQA). A letter dated 25 October 1967 from the CG USARV to the CG HAC referred 52 requests for LQA for DAC employees of the 14th ICC This letter requested advice as to availability of US government billets in Saigon for DAC male and female personnel of the 14th ICC. By first indorsement 27 October 1967, the CG HAC stated male and female billets were available for 52 personnel in the following BOQ's: Virginian (43), Hong Kong (1), and McCarthy (8 females). On 10 November 1967, the CG USARV returned the 52 requests for LQA and stated the molicy of this command was that only DA US citizen civilians of this command with duty station in Saigon/Cholon/TSN area are authorized The letter further stated that HAC has billets to live on the economy. available for 14th ICC DAC's. In light of this, "such requests for LQA are not favorably considered and are returned herewith disapproved" This action created a morale problem among some of the civilian employees because of the discrimination between 14th ICC civilian employees residing in Saigon and other USARV civilian employees who are authorized LQA.
- 5. As mentioned in paragraph 1 above, the mission of the 14th ICC was expanded considerably during the period by the addition of several new functions and responsibilities. The additional pertinent areas are:
- a. Local Procurement. This function was assigned to the 14th ICC on 1 January 1968. Under the staff supervision of the Director of General Supply, 1st Log Command, the responsibility of the 14th ICC includes the following:
- (1). Coordinating and controlling all requests for local nurchase of sumplies within the 1st Logistical Command area of responsibility, except for imprest fund nurchases initiated by the depot.
- (2) Establishing and operating a local purchase control point to process local purchase requests and initiating Purchase Request and Commitment Form (DA Form 14-115) as required. This includes review of items certified as non-available within the Army Supply System or through other government sources and determining what items will be purchased locally.

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- (3). Approving all purchase requests up to \$25,000 and routing through the Comptroller, 1st Logistical Command, to US Army Procurement Agency, Vietnam (USAPAV) for purchase action.
- (4). Justifying and submitting requests for local purchases priced at over \$25,000 to the Director of General Supply, 1st Logistical Command.
- (5) Conducting follow-up through USAPAV until all items have been received as evidenced by receiving reports, or cancelled.
- (6) Maintaining demand data and adding demand qualified items to the appropriate authorized stockage list.
- b. The above responsibility is currently assumed by the Operations Division. Supply Management Directorate, with a staff of one Warrant Officer, 2 EM and five local nationals. During the period 2 through 28 January, 1968, a total of 66 requests with an estimated dollar value of \$240,335 were processed for procurement actions.
- c. Mission Support Plan Responsibility for development of the Mission Support Plan for items of equipment newly introduced into Vietnam, was assumed by the Major Items Division, Supply Management Directorate, in December 1967. The lith ICC responsibilities are provided in the later opistical Command Regulation No. 700-70 dated 19 December 1967. Data sources have been determined and obtained and correspondence regarding new items currently scheduled for introduction into the command has been dispatched.
- DA Distribution/Allocation Countitee (DADAC) The Major Items Division, Supply Management Directorate, has assumed responsibility for coordinated action with the G4, USARV, in the administration of the USARV DADAC program. As outlined in AR 15-9, DADAC was established to control the distribution of items identified to be in actual or notential The USARPAC Allocation Distribution Committee (ADC) deshort supply velors priorities and justification for item requirements based on the asset nosture throughout the theater. Under this responsibility, the 14th ICC will develop specific item data required by Hq USARPAC for DADAC items, and will participate in the USARPAC ADC meetings. meeting in which the 14th ICC will participate is scheduled during the week 5 through 9 February 1968. Programs and procedures required to develop item data for utilization at the forthcoming conference have been completed, and details of data stratification have been reviewed and approved by the G4, USARV.
- e. Temporary Loan of Equipment During the reporting period, the Major Items Division. Supply Management Directorate, assumed responsibility for the administrative control of all equipment on loan from USARV denots.

- (1) This responsibility includes the following:
- (a) Maintenance of a central equipment loan register on all approved loan request.
- (b) Issuance of supply directives to effect approved loans in accordance with approved priorities.
- (c) Coordination with the depot and borrowing agencies on the issue and return of items on temporary loan.
- (d) Initiation of request for return of loans and notification to higher headquarters on equipment not roturned by the loan expiration date.
- (e) Reporting of reportable items on loan in accordance with AR 711-5.
- (2). At the present time, equipment on loan is manually accounted for by the assets because of a lack of ADP programs to mechanically retain accountability of loan quantities on the Availability Balance Files under a separate surpose code. With the forthcoming implementation of the USARPAC 3 SVN system, the above practice will be eliminated and accountability maintained in accordance with AR 725-50.
- f. Airlift Challenge Program (1). On 9 November 1967, the 14th ICC assumed the mission of validating airlift challenges received from the Logistical Control Office Pacific (LCO-P) and maintaining records of challenges including the disposition of each.
- (2) The primary objectives of the Airlift Challenge Program is to conserve airlift capacities, prevent abuses of air transportation means, and to reduce transportation costs by using air transportation only for high priority urgently required material or for highly perishable, short-life supplies.
- (3). Presently the system of air challenge is coordinated to LCOP where a twenty four hour operation is in effect. When the air challenge reaches the 14th ICC, all available information is obtained by the Commodity Division Chief who in turn makes the appropriate decision as to whether airlift is justified.
- g. Subsistence Management (1) In the previous report it was anticipated that the 14th ICC will become responsible for the management of non-perishables in Jan/Feb 1968 and for perishables, to include local nurchase on or about 1 July 1968. As of now, there have been no changes in management responsibility. A new target date for assumption of responsibility has not yet been determined.
- h. New Reports During the reporting period the 14th ICC assumed responsibility for several new reports as follows:

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- (1) Periodic Logistics Report (PIR AVAGD 35(R-11)) (a) For this report, the 14th ICC is responsible for processing selected nortions of the PIR relative to critical combat essential shortages in tactical units. Under this responsibility, the 14th ICC reviews and takes positive sumply action on the PIR replies received from the Support Commands. Emphasis is placed on action that can be taken to solve problems which are beyond the camabilities of the Support Commands. A report of these actions is then forwarded to 1st Log Comd.
- Monthly) processing will be a time-consuming job for both commodity managers and for the Operations Division, Supply Management Directorate. Plans are being made to reduce workload and streemline the process as much as nossible. These plans include use of automated inquiry cards and the installation of two sole-user telephone circuits to US Army depots at Cam Ranh Bay and Qui Nhon. Action has been taken for the latter. An additional plan, though not specifically required by the lst Logistical Command is the collection of data indicating major trends, e.g., certain items which appear to be consistently unavailable, which may be used as basis for improving the present supply system.
- (2) Rifle Distribution/Exchange, MIGAL/MI4 Report (RCS CSGLD 1401) (a). The primary function of the 14th ICC with regards to this report is to consolidate information received from the depots, Support Commands, and Hq USARV relative to the following:

Quantity of ML6Als Received:

Quantity of ML6Als issued for TOE shortages (due to turn-in of ML4s), initial issue, and/or combat loss replacement.

Quantity of M16Als and M14s in the hands of troops, in denot stock (serviceable and unserviceable), in maintenance float, and/or on hand other than in denot stocks.

Quantity of ML4s Issued:

Number of chrome chamber barrels received, and the number of ML6Als retrofitted with chrome chambered barrel assemblies.

Quantity of M14s evacuated to CONUS.

- (b). All required information is received at this Center prior to the 4th, and forwarded to the Department of the Army by the 8th of each month via CONFIDENTIAL message, with information to all major commands in the Pacific theater and CG USAWECOM, Rock Island, Illinois.
- (3) Airlift Challenge Report (RCS AVHGD 44) (a) With the assumption of responsibilities for validation of airlift, as discussed in

in paragraph 4 e above, the 14th ICC is required to prepare and submit the Airlift Challenge Report.

- (b). The report is prepared semi-monthly and includes information on requisition number, short nomenclature, FSN, weight, RDD/PDD, approving commend, date, and justification for airlift.
- 6. It has been determined, as was explained in the last report, that the current TOE/MTOE is insufficient to properly staff an operation of this megnitude. Hence a decision was made by the CG 1st Log Comd and CO, 14th ICC to submit a proposed TDA for the Center, through channels. The 14th ICC proposed TDA less the equipment position was submitted to 1st Log Comd in October 1967. During this reporting period staffing action at 1st Log Comd was completed and the complete TDA then submitted to USARV for approval. Approval with a few changes was received on 25 January. The final produce, was handcarried to USARPAC for staffing on 27 January and on to DA on 30 January. The personnel staffing of the proposal is as follows:

Officers	71
Warrant Officers	6
DACs	184
Enlisted Man	313
LNs	98

- 7 During the previous reporting period, the 14th ICC assumed responsibility for the management of consumucidon materials (paragraph 5b previous report). Considerable progress was made during this period in the effective management of this commodity as is clucidated below:
- a The following buys estimated at \$14,956,000 were submitted through the MILSTRIP system:

(1)	Security Lighting Program:	\$ 875,000
(2)	Plumbing Program:	611,400
(3)	Lumber Buys for Six Months:	7,500,000
(4)	Cement:	4,970,000
<b>(</b> 5).	Asphalt:	1,000,000

b. A Construction Materiel Listing consisting of 2,800 lines of which 1,380 lines are ASL items, was published and provided to ECMYs and Engineer Battalions in Vietnam.

- c. Materiel (less sand and gravel) valued at \$47,500 were relessed from RVN ECMYs for 460 Popular Forces Housing Units.
- 8. The progress, however, was not made without the development of several problem areas in construction material shortages.
- a. The commodities which have a history of shortages and continue to present a problem are:
- (1). As halt: This is heavily used on the main roads and highways of Vietnam under the "Line of Communications Upgrade Program". Because of the weather's limitations on construction during the wet season, its requirements are seasonal.
- (2). Penenrime: This item's main usage is on airstrips and helinads but it is also used as a dust control agent. Consequently, its requirements are also seasonal.
- (3). Sandbags: A very high density item, its shortage problems are commounded by mis-use and deterioration from poor storage.
- (4). Bridge Timbers: A high rate of forest fires during an unusually dry season forced the closing of many forests which has resulted in many lumber products being in short supply.
- (5). 8 Ft Pickets: The principle reason for the shortage of this item, is that the contractor failed to meet scheduled deliveries.
- b. As has been pointed out above, each commodity has unique factors which contribute to its shortages. However, it has been determined that there are two common denominator factors that contribute to all the shortages.
- (1). Procurement: It appears that this problem ranges from the imbroner utilization of requirements forecasts to erroneous lead times and unreliable production schedules.
- (2). Transportation: All bulk construction materials are given the lowest priority of all cargo for incoming shipments.
- c. This Center has taken all possible action to offset the problems as discussed above. Included in those actions are the readjustment of ROs to include the actual order ship time being experienced and the requisitioning and storing of long range requirements.
- 9. When the 14th ICC began operations in RVN in October 66, the requisitioning objective was established to include an order ship time (OST) of 150 days which had been used by each depot. In Feb 67, DA directed that this OST be reduced to 135 days. The 14th ICC immediately recognized the need to conduct a complete analysis of the actual OST but

the limited canability of the ADP equipment prevented such a study. This need was further recognized and pointed out by the GAO during their review in Oct 67. They made a very limited manual study and found the average OST for the three depot for shipments from CONUS to be 98 days. Also during Oct the 14th ICC converted to the IBM 7010/1460 computer configuration thereby providing the capability to make the required study. A program was prehared to average the OST of all receipts between the ages of 30 and 180 days. These parameters were established in order to exclude those cases of abnormal circumstances. The first analysis was made during Nov and yielded the following results:

	DEPOT	RECEIPTS	AV OST
a.	Saigon	5,933	100
b.	Cam Ranh Bay	3,180	105
C.	Qui Nhon	13,270	117

Based on this, a reduction to the following times was made in December:

- a. Saigon 105 days
- b. Cam Ranh Bay 105 days
- c. Qui Nhon 120 days

In order to increase the reliability of these values, this study is being made monthly. This not only enables the expansion of the data base for the analysis, but allows for an immediate detection of any change trends. In addition to these studies, another program is being developed to provide data for a distribution analysis. Utilizing the results of this analysis combined with that of the average analysis, a confidence level can be established for each OST under consideration. Should conditions change, these analyses will provide complete and accurate facts for a command decision on a further change.

- 10. In the previous report, it was stated that the DA Common Supply Plan would be submitted to the Secretary of Defense for approval on 30 November 1967. This date was met, however, no further guidence has been received. No further action at this level has been planned until after definitive guidance is received concerning SECDEF approval of FY 69 program funding. At present 27,000 lines have been identified as common support and approved by the Army, Air Force, and Navy.
- ll? The technical edit procedures for the processing of unidentified item requisitions, discussed in the preceding report, was implemented to a limited extent during this period. Those new procedures will facilitate processing of unidentified item requisitions, will reduce the message correspondence traffic in identifying items requisitioned, and will reduce

the number of unidentified item requisitions by the establishment and maintenance of a Number Edit File on all items once processed through the supply system.

- 12. The plan for the implementation of the USARPAC Standard Supply System (3S) in USARV is proceeding smoothly. This system will be the second generation automated Supply Management System for the theater and will provide for the complete integration between the 14th ICC and the major denots. Although the 14th ICC has the system development responsibility for the depot systems as well as the 14th ICC, the status of the project for this and subsequent reports will be generally limited to the 14th ICC system.
- a. The 3S system as applied in other USARPAC Commands, is one of centralized stock accountability. The formatting, processing logic and procedures, and interface is in accordance with MILSTRIP and MILSTRAP.
- b. It was determined in October 1967 that the 3S system was generally compatible with the requirements of a completely automated system for this theater. Thus, during November and December the detailed concept of operations for 3S Vietnam (3SVN) was developed. The concept as developed is basically 3S but with the initial implementation of it having centralizeddecentralized stock accountability with centralized stock management. requirements of this concept were hand carried to Hawaii in January when a working conference was convened between representatives of the 14th ICC and the Field System Agency (FSA) USARPAC. These requirements were then reviewed for comnetibility with the current 3S system. Changes were made where appropriate in order to gain maximum use of the existing 3S programs while retaining the unique features dictated by requirements of 14th ICC The resulting requirements were then documented and presented to the Computer Service Center, USARPAC. Subsequently the decision was made to program 3SVN in USARV where it will be a joint effort of the 14th ICC and civilian contractors of Computer Sciences Corporation.
- c. As of the writing of this report, the 3SVN system requirements have just been returned along with library tapes of the current 3S programs. A program review is scheduled to begin on 16 February at which time a determination of the magnitude of the reprogramming effort will be made. Based on this a definitive plan a schedule of implementation will be developed.
- 13. During this period, the theater excess program developed into a major effort with emphasis placed on it at the Secretary of Defense level. Although it was mentioned briefly in the paragraph on supply management trends in the previous report, it is considered appropriate at this juncture to review the program's background.
- In March 1967, five months after the 14th ICC became operational in USARV, the first excess program was established to identify and dispose of those items which had not experienced a demand for 12 months and were therefore fringe excess. To supplement this program, a joint effort

between the 14th ICC and the depots was initiated the following month to identify excess bulky storage items and take disposition or redistribution action. The key to this effort was provided by the depots by thier identification to the 14th ICC of five such items a week for subsequent inventory by the other depot and then retrograde shipments or redistribution based on the ansolidated inventory.

- b. The next major stride was taken in September when the program was expanded to include authorized stockage list (ASL) items which had on hand balances greater than three times the RO. The approach taken was to stratify the excesses by their quantity and value and then in successive phases take disposition action beginning with quantities with on hand balances greater than nine times the RO and valued at greater than \$100.000.
- c. On 20 November Dr. R.A. Brooks, Assistant Secretary of the Army for Installations and Logistics, visited the theater accompanied by Maj. Gen. J.M. Heiser, DA DCSLOG. Their expressed purpose was for a study of the most effective and efficient methods of disposing of all existing theater excesses and preventing the build-up of additional. As a result of their visit, a new program was immediately initiated to place emphasis on one type of excess at a time. This program, titled "The Command Five Phase Program" operates in phases as follows:
- (1) Phase 1: Identification and shipment of ASL items with a book value of over \$5,000. This phase was initiated 1 December 1967 and was completed on or about 15 January 1968.
- (2) Phase II: Identification and shipment of fringe items with depot book balances over \$5,000 in value and selective items of extremely high dollar value. Completion of this phase will be in February.
- (3) Phase III: Identification and shipment of fringe items with book balances of less than \$5,000. Target date is 30 May 1968.
- (4) Phase IV: Identification and shipment of ASL items with book balances of less than \$5,000. Completion date is 30 May 1968.
- (5) Phase V: A recycle of Phases I through IV. A regular quarterly excess run is being programmed to selectively identify and order shipped ASL and fringe excess. Target date for the first quarterly cycle is 1 May 1968.
- d. The next major step was taken on 1 December 1967 when the 14th ICC ceased all replenishment requisitioning for the Saigon Depot. Additionally all possible incoming shipments were diverted. This was done to allow the depot to shift emphasis to the receipt processing, inventory, segregation, and proper storage of stocks on hand. Meantime, the CONUS supply sources screened all USARV requisitions and withdrew those for the Saigon Depot. In January these requisitions, totalling

15,459 were hand carried back to the 14th ICC where a comprehensive study was made to insure that no requisitions were filled for unneeded items. As a result, 8,371 were cancelled as being excess to Saigon requirements. Additionally, 13,704 requisitions not included in the supply sources lists were cancelled. Replenishment requisitioning for Saigon was begun again on 23 January 1968.

- e. The cumulative results of all the programs discussed above has been the disposition of 234.5 thousand lines valued at \$86 million.
- 14. As discussed in paragraph 18 of the previous report, the GAO began a review of the supply management procedures of the 14th ICC on 26 September 1967. In December the review was completed and nine "major" findings were presented to the 14th ICC. These findings and the actions taken by the 14th ICC are explained below:

#### a. Order Ship Time:

- (1) Finding: There is a need for further study relative to a possible adoption and utilization of a decreased OST.
- (2) Actions: The actions taken on this finding were discussed in detail in paragraph 8 above.

#### b. Demand Data:

- (1) Finding: There is a need for utilization of current and accurate demand data for computing requirements.
- (2) Actions: A subprogram of the 3S system as discussed in paragraph 11 above will be implemented in February. This will satisfy these requirements.

#### c. Major Items Density Data:

- (1) Finding: The 14th ICC is using the AR 711-5 report to set requirements rather than the MIDA report and there is a disparity between the two.
- (2) Actions: None. The use of the AR 711-5 report is directed by a 1st Log Comd regulation.

#### d. Redistribution of Stocks:

- (1) Finding: There is a need for automated procedures in the 14th ICC to initiate redistribution orders.
- (2) Actions: A semi-automated system has been implemented. The development of a program for a fully automated system is underway with a target implementation date of 1 March 1968.

#### e. Priority Upgrading of Replenishment Requisitions:

- (1) Finding: Out of stock positions and the subsequent generation of Red Ball requisitions by users have resulted because the L4th ICC has not upgraded requisitions for critically short items in a timely manner.
- (2) Action: A program for the generation of priority 05 requisitions on lines when their on hand balances decrease to the safety level has been prepared and will be implemented soon. Procedures as proposed by the GAO whereby priorities of existing requisitions would be upgraded have been determined to be in violation of AR 725-50.

#### f. RO Adoption Procedures:

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- (1) Finding: Computer recommended ROs were accepted by the managers but apparently lost and never posted to the computer records.
- (2) Actions: A program has been implemented whereby suspense work cards are furnished the managers reflecting a machine recommended RO change. This RO is automatically posted if the managers have not initiated instruction to the contrary by the suspense date.

#### g. Manager Rejection of Machine Recommended ROs:

- (1) Finding: There is a need for intensive manager training in the area of computations and analysis of ROs. Further, there is a need for management review of manager rejections of machine recommendations.
- (2) Actions: Manager training in RO computation techniques and procedures has been emphasized and procedures for management control. of manager changed ROs are being implemented.

#### h. Cancellation of Dues In:

- (1) Finding: Cancellation of dues in are initiated only as a result of managerial review. There are no automated procedures for automatic cancellation should the back order situation at a depot suddenly change.
- (2) Actions: A program is being prepared for the incorporation of these procedures into the normal cycle. Target date for implementation is February.

#### i. Replenishment Freeze:

(1) Finding: There is a need for automated procedures to insure prompt response by managers to correct the cause of items suspended with a replenishment freeze.

- (2) Action: A program has been implemented which automatically provides a "flag" card to the manager each time a freeze occurs. This card also serves as a candidate unfreeze card for the manager's use.
- 15. On 9 November 1967, with promulgation of 1st Log Comd Directive Nr. 4, the 14th ICC was charged with the establishment and operation of a Supply Data System School for all 1st Log Comd units. The school is to be a focal point of 1st Log Comd training and instruction in supply data system and related procedures. It is expected to provide refresher and initial training in the supervision and operation of supply data systems ranging from fundamentals to the off line processing of supply transactions. Local nationals are to be integrated into all training courses as outlined under a separate directive now being staffed through 1st Log Comd. From inception to the present, the supply data system training has been conducted by one officer from the Directorate for Data Processing. This has proven unsatisfactory. The proposed TDA as discussed in paragraph 5 above includes in the Directorate for Data Processing, an Education and Training Division staffed with two officers, three enlisted men, and one DAC. During December and early January, coordination was accomplished with 1st Log Cond units to ascertain their immediate supply data systems training needs. Results of those surveys brought about the initial course, a five day COBOL refresher. It was presented during the period 22-26 January at the 14th ICC for 12 students representing participation by the USAD Qui Nhon, USAD Cam Ranh Bay, and the 14th ICC. Subsequently, a five day programming course in Advanced AUTOCODER IOCS began on 29 January 1968 with 13 students representing the USAS Qui Nhon, USAS Can Ranh Bay, the 4th Transportation Command, and the 14th ICC.
- 16. Several management practice improvements were implemented during the reporting period and are considered worthy of note here.
- a. Management action in the review and establishment of Economic Order Quantity (EOQ) items was intensified during the period with a mechanized system established to flag out EOQ candidate items to include revision of existing EOQ levels. A recent demand analysis positively identified and established EOQ ROs for approximately 18,000 line items. This action will greatly reduce the repeated managerial review of inexpensive items with a corresponding reduction in the number of requisitions submitted for replenishment.
- b. The center published a Standard List for office and BOQ furniture which customers will use to requisition. However, the depots apparently have many other items that could and should be substituted for these items. Because these similar type furniture items are not fully identified, they are not being issued and continue to take up valuable storage space at the depots. Intensified management is being taken to identify all the furniture items in the Availability Balance Files. Preliminary research has revealed that many items are no longer on the Army Master Data File (AMDF) and/or are not valid stock numbers. The final product of this research is to develop a standard and substitute furniture

list for Vietnam to enable depots to issue substitutes for standard items. This will be a time consuming action as both TLs and furniture schedules must be checked and those still not identified will have to be checked with the Materiel Management Agency, USARPAC, before the final list is published. In order to provide data to the field as soon as possible, the list will be published in increments, e.g. desks will be the first increment to be followed by chairs, tables, etc. The Standard and Substitute List will provide an excellent tool in reducing the number of line items managed and stocked at the depots.

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- c. At the present time, this Center has approximately 1,040 line items of paint, thinner, etc. with valid POs, many of which are not needed in Vietnam and which are classified as nice to have items. One reason for this high number of items is that USARV initially did not levy any restrictions on the number of colors, sizes, or types of paint that could be stocked and requisitioned in Vietnam. In the past, this Center established a new RO at each depot once it had received three demands during a base period of 180 days. The reason for this Targe number of HO lines is that customers had GSA catalogs and requisitioned at will. In an effort to curb this practice, a request was initiated by this Center to 1st Log Comd to provide information as to types of paint, colors, and containers to be stocked in Vietnam. Once this Center is informed of items to be stocked, a standardized list will be published and sent to all customers. Part of the job has already been accomplished by the Ungineer, USARV, who has published a regulation limiting type of paint for building interior and exterior. But on this action, 25 line items were deleted from the Availability Balance File. It is envisioned that once the decisions are made regarding the paints, the present ASL will be reduced by more than fifty percent. The benefits gained from the above action are (1) less items to manage (2) less items to stock at the depots and (3) excessing of paint no longer required.
- d. Important strides were taken during the past several nonths in the dollar stratification of theater assets. One of the significant areas is in super high dollar value items. A program was developed to screen and list all those items designated by CONUS as being in this category. It is produced cyclically and broken out to the respective divisions for action where necessary. Primary areas of consideration are backorders, on hand balance, and units of issue, but other pertinent information such as dues—in and ROs is provided. Utilizing this information, each depot involved is contacted for validation of backorders and on hand balance. The commodity divisions validate the units of issue via the AIDF and appropriate catalogs. As of 31 January, there were 1,139 lines in this category stocked in the theater. Of these, approximately 50% required corrective action. Within a period of a week, depots on an average corrected 48% of those lines sent for backorder validation and 54% for on hand balance validation.
- 17. In continuing with the 14th ICC policy of reducing the theater authorized stockage list (TASL) to the minimum number of items consistent

with theater requirements, a new aggressive program has been implemented to emphasize substitution of similar items. This is being done by selecting one item (preferred item) which can be issued in lièu of one or more similar items (non-preferred items). The RO of the preferred item is then adjusted to compensate for the deletion of the RO for the non-preferred items and the non-preferred items are issued until their stocks are depleted. The item is then deleted from the TASL. In order to reduce the dollar value of the theater stockage, a more economical item is selected as the preferred item wherever possible. A side effect and very beneficial result of this program is that back orders will be reduced by issuing all available substitutes. The program is being implemented by a daily manager review of an established number of items for determination of substitutable items at which time action is taken as described above.

- 18. The favorable management trends which became evident during the last period and were discussed at length in last period's report, continued to improve this period.
- a. It appears that the theater authorized stockage list (TASL) has stabilized. When the 14th ICC began operations in October 1966, the TASL included 200 thousand items. Since that time vigorous action has been taken to exclude those items not required and add items that are required. As a result of these actions, the TASL decreased to a low of 120 thousand items in September 1967, climbed back up to 140 thousand in December, and at present stands at 137 thousand. During the meantime, approximately 60 thousand items have been added. Thus the list is now approaching the proper mix of items so that only those items actually required are stocked in the theater. It is anticipated that the TASL will continue to adjust because of the efforts such as the substitution program discussed in the preceding paragraph.
- b. The number of high and low priority requisitions received by the 14th ICC and passed out of country decreased remarkably from last period to this period. The average total number received decreased from 103.5 thousand the preceding period to 77.6 thousand this period for a decrease of 25% while the average total passed out of the country decreased from 77.4 thousand in the preceding period to 43.6 thousand this period for a percent decrease of 44. This definitely and quite clearly illustrates that the effectiveness of the theater supply system is improving, i.e. more customer Supply requests are being filled with stocks on hand, thereby alleviating the need to create requisitions which have to be passed out of country.
- c. This point is further enforced when the number of Red Ball requiritions received by the depots are considered. They decreased from an average of 28.4 thousand in the preceding period to 25.5 thousand this period for a percent decrease of 10. Further, those that had to be passed out of country decreased from an average of 16.7 thousand to 14.7 thousand for a decrease of 12%.

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- d. At the end of the last period, the average of the fringe excess items on hand in the depots was 39 thousand lines. It was stated in the last report that a decrease to 25 thousand lines was projected for December. However, because of the shift of emphasis to the ASL items under Phase I of the Command Five Phase Program, this projection did not materialize. In fact, the continuing inventories by the depots caused the addition of some lines so that at the close of this period the depot average stood at 49.3 thousand lines. Since Phases II and III have placed emphasis on these items, the projection of a depot average of 25 thousand lines has been shifted to March.
- e. The ASL excess lines went through basically the same readjustment during this period as did the fringe lines. At the close of the last period, the depot average was 33 thousand lines. Because of the aggressive identification during Phase I in December, the number of lines actually rose until the effects of the shipments of Phase I were felt in January at which time they dropped slightly and ended at an average of 20.5 thousand lines. The effect of Phase I on these lines was slight because it was basically for high dollar value items. Phase IV is expected to reduce these lines to 5 thousand in May because it will be for excess quantities less than \$5,000 in value.

#### SECTION II, PART I

#### OBSERVATIONS (LESSONS LEARNED)

#### 1. Personnel

#### a. Data Processing

- operations to computer operations was accomplished prior to the current reporting period; however, operations were continued without a properly approved personnel authorization document, the proposed TDA. The approved That is the only acceptable reams for requisitioning and promotion of personnel required to program, operate, control and maintain the types of automatic data processing equipment on hand. Higher headquarters have provided flexibility by authorizing MOS substitutions; however, did not permit requisitioning of enlisted personnel with required grades and MOS as directed by the mission. Operations have been accomplished by PCM oriented personnel trained on the job without benefit of experienced, senior grade personnel. Partly due to the absence of approved personnel authorization documentation, no computer-oriented enlisted replacements were received during the reported quarter.
- (2) Observation: In making ADPE and computer machine configuration conversions, it is of extreme importance to precede such conversion with proper reorientations in authorized staffing so that properly trained personnel are on hand to operate the new equipment.
- b. The Offensive Impact: The TET Offensive which began on 31 January and as of this writing is centinuin although at a reduced pace, has revealed several significant observations. Although the actions have occurred mainly in the period which will be covered by the next report, it is considered particularly important that these observations be reported in a timely manner. They will be discussed as they apply to DACs and LNs.

#### (1) DACs

#### (a) Discussion:

1. There are currently 120 DACs assigned to the 14th ICC. Because of personal desires and inadequate housing on Long Binh Post, 63 of the DACs lived in Saigon prior to the commencement the offensive. During the period 31 Jan - 6 Feb these personnel were unable to report for work because of the fighting in Saigon and the ban on travel between Saigon and Long Binh. On 6 Feb, they were provided an armed escort from Saigon and moved into temporary quarters on Long Binh. Thus, for 6 working days, those personnel living in Saigon, a majority of the civilian force, were absent from duty.

2. The majority of this group is assigned to the Directorate for Supply Management. Most of those assigned to the Directorate for Data Processing are required to live on post because they are programmers, and are therefore on call 24 hours a day. Consequently, during this period the ICC's technical supply management capabilities were reduced considerably.

#### (b). Observations:

DACs are generally not compatible with the requirements of a military staff during active operations with the enemy. They are not subject to the restrictions, such as required living areas which are imposed on the military in order to maintain a high state of operational readiness. On the other hand, they are subject to certain restrictions such as movement during an alert or active operations, which can limit their activity during a critical time.

#### (2). LNs

- (a) Discussion: The entire staff of 84 LNs has been absent from 31 Jan until the present. The primary job positions of these LNs are clark typists, key punch operators and stock record clerks. Consequently, data processing and supply management actions and correspondence have suffered accordingly during this period.
- (b) Observations: In a combat theater, particularly one in which guerrilla warfare is employed, an activity can not depend on the LN portion of its staffing. All contingency planning has to be such that their loss is compensated for in some manner during increased enemy activity.

#### 2. Operations

#### a. Micromation

Discussion and Observation: During January 1968, the lst Log Comd submitted a request to USARPAC for micromation (Microfilm capability) equipment for use in the 14th ICC. Approval and installation of such equipment will greatly enhance data retrieval and display capability of the organization and provide supply managers with more timely and less bulky managerial required data on selected supply items. Further, the use of such equipment will reduce print requirements as well as future records storage space and will provide easier accessibility to supply demand data.

AVCA-ICC-30

SUBJECT: Operational Report for Quarterly Period Ending 31 January
1968 (RCS CSFOR-65)

#### b. Tropical Fatigue Tariff

- (1) Discussion: Then the tropical fatigue became the standard uniform for RVN, Department of the Army published SB 10-523, January 1967, which listed the recommended tariff for these items. In accordance with regular procedures, the initial stock of these uniforms was "pushed" into RVM at the respective depots. In addition, the command RO's were set according to the tariffs, and the initial replenishment requisitions submitted accordingly. After the items were in use by the troops for a few months, the replacement requests per size were much different "han the DA tariff indicated. A review of issues indicated that issues did not follow the traditional tariff or pattern expected for a hot climate. Instead of wearing a uniform that was loose, the men wanted the smaller sizes. Using the best information available, it can be reasoned that large sizes are unpopular for tactical reasons and because of poor military appearance of a large baggy uniform. One basic problem that developed as an cutgrowth of this, was that RVM developed a shortage in the small sizes, and long stock on the larger sizes. In addition, this had an adverse effect on CONUS manufacturers, as they had manufactured more of the larger sizes, and were not able to change their orders initially. CONUS has been informed of the tariff problem and has been asked to send a team to study the tariff.
- (2) Cbservation: Regardless of the results of consumer testing, procurement and stockage can not always be planned accurately for 2 personal item.

#### SECTION II, PART II

#### (RECOMMENDATIONS)

- l. DAC Recruiting: In order to effectively reduce the inordinate recruiting and processing leadtime which currently prevail for civilians to be employed at Long Binh, a coordinated DA and Hg AMC effort should be made to plan, organize and promote a well publicized and intensive recruiting campaign. Such a plan should expressly provide for publicity that factually discusses the promotion, pay and supply career field incentives that employment in Vietnam entails for a prospective employee. The plan should also provide for recruiting to be conducted on a personal interview and selection basis. Successful implementation of the plan will require the full and sustained support and assistance of Civilian Personnel Officers throughout the Department of the Army.
- 2. Military Training: A training base should be made available to all military ranks in CONUS and all other theaters in order to stablish a military corps qualified to operate logistical complexes such as ICCs and depots in a combat theater. This would reduce the

requirements for DACs in the combat theater, thereby improving the operational readiness of those activities now requiring them.

3. Personnel Authorization Documentation: During systems conversions in the field, commanders should be authorized to approve temporary changes in personnel authorization documentation to permit the requisitioning of trained, experienced personnel in appropriate grades to adequately staff the unit so as to permit maximum utilization of the new equipment.

J. A. KOELLSTRO

Commending

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AVCA GO-O (15 Feb 68)

1st Ind

SUBJECT: Operational Report for Quarterly Period Ending 31 January 1968
(RCS CSFOR-65) (UIC WFJUTO)

DA, Headquarters, 1st Logistical Command, APO 96384 1 March 1968

TO: Commanding General, United States Army Vietnam, ATTN: AVHGC-DST, APO 96375

1. The Operational Report - Lessons Learned submitted by Head-quarters, 14th Inventory Control Center (UIC: WFJUTO) for the quarterly period ending 31 January 1968 is forwarded.

#### 2. Pertinent comments follow:

- a. Reference Section 1, paragraph 10. The DA Common Supply Flan was forwarded to the Secretary of Defense by this headquarters on 1 November 1967. Recommend that the status of this plan be provided this command.
- b. Reference Section I, paragraph 16c. Information pertaining to the stocking of various types of paints in Vietnam was forwarded to Headquarters, 14th Inventory Control Center on 4 February 1968 by this headquarters.
- c. Reference Section II, Part I, paragraph 1b(1)(b). Hiring of DAC's who possess certain specialized skills is considered necessary because of the 14th Inventory Control Center's mission. DAC's are normally subject to restrictions of required living areas. Lack of adequate housing in the Long Binh area however, was justification for allowing the DAC's to remain in Saigon. Since the TET offensive, quarters have been made available at Long Binh. These quarters are identical to those occupied by military personnel of comparable grade.
- d. Reference Section II, Part I, paragraph 1b(2)(b). Concur with basic observations. The difficulties involved in relying upon a Local National work force have become evident during period of the TET offensive. Local National spaces should be used as an augmentation to a unit rather than as primary staffing.
- e. Reference Section II, Part I, paragraph 2a. Concur. Request that this command be advised of USARPAC's position on installation of micromation equipment. In the event of concurrence, request that proposed conference, covering the technical aspects of micromation, be rescheduled as soon as possible.
- f. Reference Section II, Part I, paragraph 2b. Concur. The tariff team is not, however, available at this time. Request that this command be advised of the availability of the team.

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AVCA GO-0 (15 Feb 68) 1st Ind SUBJECT: Operational Report for Quarterly Period Ending 31 January 1968 (RCS CSFOR-65)(UIC WFJUTO)

- g. Reference Section II, Part II, paragraph 1. Concur. An aggressive recruiting campaign is needed to overcome a serious time lag between submission of recruitment actions and arrival in-country of qualified personnel. Any recruiting campaign should however, factually depict conditions in Vietnam. There have been recent indications that this is not being accomplished during recruiting interviews in CUNUS.
- h. Reference Section II, Part II, paragraph 3. Concur in concept. Recommendation is neither practicable nor possible at this time in view of the centralized control effected by Department of the Army in this regard.
- 3. Concur with basic report as modified by this indorsement. The report is considered adequate.

FOR THE COMMANDER:

TLL: LBN 2684

CPT. AGC

Ass't Adjutant General

Copy Furnished: 14th ICC AVHGC-DST (15 Feb 68) 2d Ind

CPT Arnold/ms/LBN 4485

SUBJECT: Operational Report for Quarterly Period Ending 31 January 1968

(RCS CSFOR-65)

HEADQUARTERS, US ARMY VIETNAM, APO San Francisco 96375

4 APR 1968

TO: Commander in Chief, United Sates Army, Pacific, ATTN: GPOP-DT, APO 96558

- 1. This headquarters has reviewed the Operational Report-Lessons Learned for the quarterly period ending 31 January 1968 from Headquarters, 14th Inventory Control Center as indorsed.
- 2. Pertinent comments follow:
- a. Reference item concerning tropical fatigue tariff, page 20, paragraph 2b, and 1st Indorsement, paragraph 2f: Concur. The USA Support Center, Philadelphia was tasked to complete a study of the tariff for the tropical fatigue uniform. The results of this study were due to DA 18 March 1968.
- b. Reference item concerning recommendations for DAC recruiting, page 20, paragraph 1, Section II, Part II. Concur. Such action is being taken. DCSPER DA has been provided material containing narrative desciption of US citizen employee living and working conditions throughout Vietnam, including color photographs and movies of US citizen employees at their worksites, in their billets, and in recreational facilities. This information is being used to publicize recruitment efforts throughout CONUS. The recruitment brochure distributed by DA has been revised to accurately inform prospective employees of living and working conditions in Vietnam and includes a description of Long Binh as a duty station.
- 3. A copy of this indorsement will be furnished to the reporting unit through channels.

FOR THE COMMANDER:

Charles A. Byrd

Major, AGC

Assistant Adjutant General

Copies furnished: HQ 14th ICC HQ 1st Log Cmd GPOP-DT (15 Feb 68) 3d Ind

SUBJECT: Operational Report of HQ, 14th Inventory Control Center for Period Ending 31 Jan 68, RCS CSFOR-65 (R1)

HQ, US Army, Pacific, APO San Francisco 96558 24 MAY 1968

TO: Assistant Chief of Staff for Force Development, Department of the Army, Washington, D. C. 20310

1. This headquarters has evaluated subject report and forwarding indorsements and concurs in the report as indorsed.

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- 2. Reference paragraph 3a and b, Section I, page 2. The problem of DAC staffing is under study and will be addressed in the forwarding indorsement to the subsequent ORLL.
- 3. Reference paragraph 10, Section I, page 9. Status on common supply will be provided to USARV.

FOR THE COMMANDER IN CHIEF:

K. F. OSBOURN

MAJ, AGC

Asst AG

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